



BRAZILIAN
EXCHANGE
AND OTC

DECARBONIZATION CREDIT (CBIO)

B3 opens its OTC platform for registering and trading carbon credits in the Brazilian fuel sector.

The National Biofuels Policy (RenovaBio) was created under Law No. 13,576/2017 to enable Brazil to fulfill its commitments assumed in the **PARIS AGREEMENT**.

As part of this goal, RenovaBio set annual targets for reducing greenhouse gas emissions for fossil fuel distributors. Such targets will be achieved through the purchase of decarbonization credits (**CBIOS**). Each CBIO represents one ton of avoided CO₂.

The credits will be issued by biofuels producers and importers authorized by the National Petroleum Agency (ANP). For this, they must hire an inspecting firm accredited by the ANP, who will provide the authorization, and later a underwriter (bank or financial institution) who will carry out the issuing process and register the credits at B3.

PARIS AGREEMENT

Brazil's goal: Increase the bioenergy share in its energy matrix by 18% by 2030.

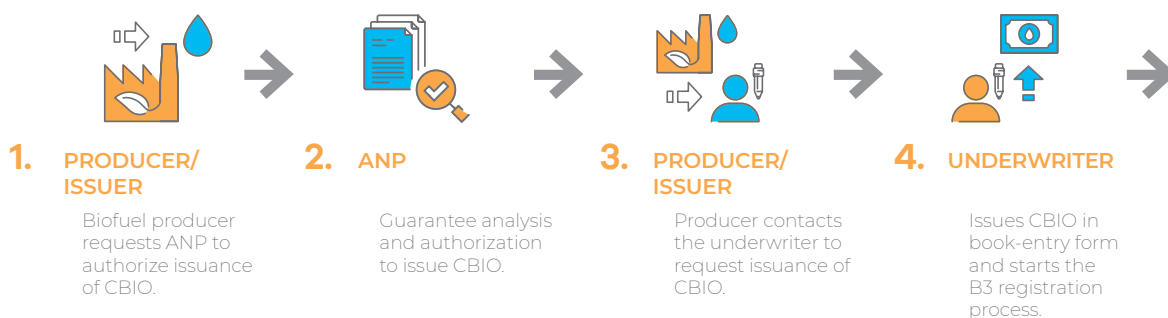


CBIOS

Monetary securities issued by producers and importers based on their biofuel purchase and sale invoices.

HOW THE CBIO LIFE CYCLE WILL WORK

Outside B3's environment



Inside B3's environment – CBIO Issuance and Trading Registration

The underwriter is responsible for registering the CBIO issuance in B3's environment and also for registering CBIO trades in the primary market. Trading can be done through the B3 Trader platform, which is widely used by the market for trading Government Bonds, Debentures, Mortgage Backed Securities (CRIs) and Agribusiness Receivables Certificates (CRAs).

Fuel distributors and investors will not directly access B3's systems. This will only be done through their representatives, who will enter the orders on the Trader platform and confirm the change of asset ownership in the registration system.

It will also be incumbent upon the customer's representatives to identify the CBIO beneficiaries as "Obligated Parties" and "Non-obligated Parties", according to the definition of the current regulation.



5. UNDERWRITER

As a Registration Agent, inputs the information on B3's system.

6. UNDERWRITER

Registers the information related to the CBIO issuance.



7. B3

Identifier code for the CBIO is supplied by the system.

8. TRADING

CBIOs will be available for trading.

9. UNDERWRITER

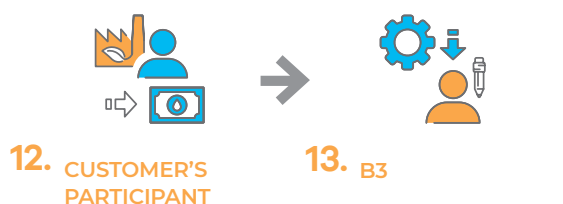
After the first trade, allocates the quantities to buyers, indicating the CBIO's unit sell price.

10. CUSTOMER'S PARTICIPANT

Purchasing customer's representative confirms the transaction entered by the Underwriter.

11. B3

CBIO DVP: asset's position is switched upon payment confirmation.



12. CUSTOMER'S PARTICIPANT

Enters CBIO retirement on behalf of customer/investor.

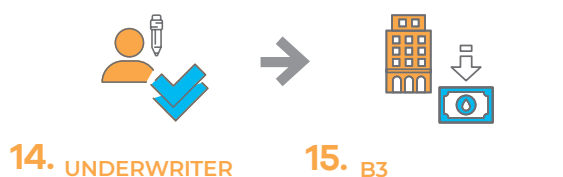
13. B3

B3's system identifies quantities in custody and requests dual command from the Underwriter.

Within B3's environment – CBIO Retirement

CBIOs have no expiration date and will be valid until their holder requests the retirement of the credits. Achievement of the targets set for each distributor is done upon CBIOs quantity held by them and retired during the period.

B3 will publish on its website statistical information on CBIOs issuance and trading.



14. UNDERWRITER

Performs the transaction dual command to control the carrying quantities.

15. B3

Retires CBIO by withdrawing the customer's positions.

Learn more

Law 13,576/2017 – Addresses the Biofuels National Policy (RenovaBio).

Decree 9,888/2019 – Addresses the setting of compulsory targets for greenhouse gas emission reduction and establishes the RenovaBio Committee.

Ordinance 419/2019 – Addresses the bookkeeping, registration, trading and retirement of decarbonization credits.

TALK TO B3

To learn more about CBIO registration and trading, send an email to captacao@b3.com.br or call (+5511) 2565-5951/2565-7576.